GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5414
ANSWERED ON:22.12.2000
SMART CARDS AND DEBIT CARDS
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Will the Minister of FINANCE be pleased to state:

(a) the difference between smart card and debit card;

(b) the number of banks who have issued these cards;

(c) whether any bank in the public and private sector have issued these cards in tie-up with a non-bank entity; and

(d) if so, the details thereof alongwith reasons for such tie-up?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) : The Reserve Bank of India (RBI) has reported that both smart cards and debit cards are payment facilities.However, amounts are pre-funded from bank accounts onto the card itself in the case of smart cards and the balance reduced on the card at the time of purchase, whereas in the case of debit cards there is authorization to debit the account of the cardholder maintained with the bank at the time of purchase of goods and services.

(b) : There are 3 banks which have introduced smart cards and 5 banks which have introduced debit cards as per information received by RBI.

(c) & (d) : The guidelines of the RBI on smart/debit cards do not allow tie-ups by banks with non-bank entities for issue of smart/debit cards.